

# Financial Section

## Non-Consolidated Balance Sheet

Meiji Yasuda Life Insurance Company

As of March 31, 2011 and 2010

	Millions of Yen		Millions of U.S. Dollars*
	FY2010	FY2009	FY2010
<b>ASSETS</b>			
Cash and deposits:			
Cash .....	¥ 578	¥ 628	\$ 6.9
Deposits .....	203,245	375,446	2,444.3
Call loans .....	233,000	187,000	2,802.1
Monetary claims bought .....	277,381	284,939	3,335.9
Securities:			
Domestic bonds:			
Government bonds .....	10,043,057	7,783,755	120,782.4
Municipal bonds .....	1,214,013	1,238,634	14,600.2
Corporate bonds .....	1,414,021	1,572,217	17,005.6
Domestic stocks .....	2,924,817	3,388,511	35,175.1
Foreign securities .....	3,596,124	2,944,194	43,248.6
Other securities .....	242,668	140,428	2,918.4
Loans:			
Policy loans .....	348,219	362,313	4,187.8
Financial loans .....	4,734,412	5,114,950	56,938.2
Tangible fixed assets:			
Land .....	639,209	655,961	7,687.4
Buildings .....	339,589	358,676	4,084.0
Construction in progress .....	27,240	10,233	327.6
Other tangible fixed assets .....	3,495	4,360	42.0
Intangible fixed assets:			
Software .....	35,646	41,234	428.6
Other intangible fixed assets .....	18,619	23,974	223.9
Agency account receivable .....	1	20	0.0
Reinsurance account receivable .....	1,079	2,262	12.9
Other assets:			
Accounts receivable .....	250,537	77,176	3,013.0
Prepaid expenses .....	3,483	3,812	41.8
Accrued income .....	73,167	69,987	879.9
Security deposits and rental deposits .....	8,124	9,060	97.7
Deposits on financial futures .....	554	586	6.6
Margins on financial futures .....	57	—	0.6
Derivative financial instruments .....	1,702	18,656	20.4
Suspense payment .....	7,874	11,054	94.6
Miscellaneous assets .....	86,583	84,059	1,041.2
Deferred tax assets .....	331,472	243,397	3,986.4
Customers' liabilities for acceptances and guarantees .....	22,000	20,024	264.5
Reserves for possible loan losses .....	(16,665)	(15,070)	(200.4)
<b>TOTAL ASSETS .....</b>	<b>¥ 27,065,316</b>	<b>¥ 25,012,490</b>	<b>\$ 325,499.8</b>

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥83.15 to US\$1.00 prevailing on March 31, 2011.

	Millions of Yen		Millions of U.S. Dollars*
	FY2010	FY2009	FY2010
<b>LIABILITIES AND NET ASSETS</b>			
(Liabilities)			
Policy reserves and others:			
Reserves for outstanding claims .....	¥ 153,710	¥ 129,520	\$ 1,848.5
Policy reserves .....	23,767,432	22,236,124	285,838.0
Reserves for policyholder dividends .....	318,003	330,649	3,824.4
Agency account payable .....	0	—	0.0
Reinsurance account payable .....	1,240	2,240	14.9
Other liabilities:			
Deposits received on bonds lending .....	665,809	284,570	8,007.3
Loans payable .....	100,000	100,000	1,202.6
Corporate income taxes payable and others .....	11,386	—	136.9
Account payable .....	255,597	67,679	3,073.9
Unpaid expenses .....	33,818	27,334	406.7
Unearned income .....	6,277	7,490	75.4
Employees' and agents' savings deposits .....	22,919	21,953	275.6
Deposits received for guarantee .....	32,100	35,866	386.0
Margins on financial futures .....	97	39	1.1
Derivative financial instruments .....	21,049	20,426	253.1
Asset retirement obligations .....	3,372	—	40.5
Suspense receipts .....	11,195	10,284	134.6
Miscellaneous liabilities .....	780	—	9.3
Accrued retirement benefits for directors and executive officers.....	650	724	7.8
Reserves for contingent liabilities .....	3,592	3,809	43.1
Reserves for price fluctuations .....	242,414	184,980	2,915.3
Deferred tax liabilities on revaluation of land .....	114,364	118,623	1,375.3
Acceptances and guarantees .....	22,000	20,024	264.5
<b>TOTAL LIABILITIES .....</b>	<b>25,787,812</b>	<b>23,602,343</b>	<b>310,136.0</b>
(Net Assets)			
Foundation funds .....	60,000	60,000	721.5
Accumulated redeemed foundation funds .....	410,000	350,000	4,930.8
Revaluation reserves .....	452	452	5.4
Surplus retained:			
Reserves for loss compensation .....	7,626	7,253	91.7
Other surplus retained:			
Reserves for redemption of foundation funds .....	—	45,000	—
Accumulated fund for price fluctuations.....	29,764	29,764	357.9
Social welfare project promotion reserves .....	48	47	0.5
Operating base reinforcement reserves.....	6,000	—	72.1
Reserves for advanced depreciation of real estate.....	21,056	20,374	253.2
Special reserves .....	2,000	2,000	24.0
Other reserves.....	85	85	1.0
Unappropriated surplus for the period .....	145,785	146,689	1,753.2
Total foundation funds and others .....	682,819	661,668	8,211.8
Unrealized gains (losses) on available-for-sale securities.....	527,074	677,168	6,338.8
Deferred hedge gains (losses) .....	(5,213)	(6,519)	(62.6)
Revaluation reserves for land .....	72,823	77,829	875.8
Total valuation and translation adjustments and others.....	594,684	748,478	7,151.9
<b>TOTAL NET ASSETS .....</b>	<b>1,277,503</b>	<b>1,410,146</b>	<b>15,363.8</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS .....</b>	<b>¥ 27,065,316</b>	<b>¥ 25,012,490</b>	<b>\$ 325,499.8</b>

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥83.15 to US\$1.00 prevailing on March 31, 2011.

**Non-Consolidated Statement of Operations and Surplus**  
Meiji Yasuda Life Insurance Company

For the years ended March 31, 2011 and 2010

	Millions of Yen		Millions of U.S. Dollars*
	FY2010	FY2009	FY2010
<b>ORDINARY REVENUE</b>			
Premium income and reinsurance refunds:			
Premium income .....	¥ 3,943,298	¥ 3,281,153	\$ 47,423.9
Refunds on reinsurance .....	1,341	1,276	16.1
Investment income and gain:			
Interest and dividends:			
Interest on deposits .....	148	456	1.7
Interest and dividends on securities .....	387,706	316,428	4,662.7
Interest on loans .....	105,381	116,791	1,267.3
Rental income .....	34,089	38,440	409.9
Other interest and dividends .....	8,695	8,114	104.5
Gains on money-held-in-trust .....	2	1	0.0
Gains on securities sold .....	74,018	81,216	890.1
Gains on securities redeemed .....	—	4,077	—
Income for derivative financial instruments .....	65,656	31,461	789.6
Other investment income .....	16	142	0.1
Gains on separate account assets investment .....	—	87,011	—
Other ordinary revenue:			
Annuity supplementary contract premiums .....	18,520	18,386	222.7
Benefits left to accumulate at interest .....	146,655	149,453	1,763.7
Reversal of reserves for outstanding claims .....	—	9,399	—
Reversal of accrued pension and severance costs .....	3,289	13,853	39.5
Miscellaneous income .....	6,585	7,517	79.1
<b>TOTAL ORDINARY REVENUE .....</b>	<b>4,795,406</b>	<b>4,165,183</b>	<b>57,671.7</b>
<b>ORDINARY EXPENSES</b>			
Insurance benefits paid and others:			
Claims paid .....	709,777	816,108	8,536.1
Annuities paid .....	446,640	425,436	5,371.4
Benefits on policies paid .....	492,479	524,838	5,922.7
Surrender benefits paid .....	462,020	485,980	5,556.4
Other refunds paid .....	91,973	88,485	1,106.1
Reinsurance premiums .....	3,330	1,908	40.0
Provision for policy reserves and others:			
Provision for reserves for outstanding claims .....	24,189	—	290.9
Provision for policy reserves .....	1,531,307	922,781	18,416.1
Interest on dividend reserves .....	799	1,075	9.6
Investment expenses and losses:			
Interest paid .....	3,297	3,570	39.6
Losses on securities sold .....	130,164	58,221	1,565.4
Losses on securities appraised .....	21,292	12,258	256.0
Losses on securities redeemed .....	2,451	7,562	29.4
Losses on foreign exchange .....	580	337	6.9
Provision for reserves for possible loan losses .....	532	11,447	6.3
Depreciation on real estate for rent .....	10,481	11,075	126.0
Other investment expenses .....	10,428	11,572	125.4
Losses on separate account assets investment .....	9,875	—	118.7
Operating expenses .....	375,541	361,610	4,516.4
Other ordinary expenses:			
Payments of benefits left to accumulate at interest .....	179,035	191,961	2,153.1
Taxes .....	26,574	23,228	319.5
Depreciation .....	22,770	22,197	273.8
Miscellaneous expenses .....	4,838	4,947	58.1
<b>TOTAL ORDINARY EXPENSES .....</b>	<b>¥ 4,560,384</b>	<b>¥ 3,986,605</b>	<b>\$ 54,845.2</b>

	Millions of Yen		Millions of U.S. Dollars*
	FY2010	FY2009	FY2010
ORDINARY INCOME .....	¥ 235,022	¥ 178,577	\$ 2,826.4
Extraordinary profits:			
Gains on disposals of fixed assets .....	1,588	971	19.0
Extraordinary losses:			
Losses on disposals of fixed assets .....	14,415	14,514	173.3
Impairment losses .....	9,322	3,188	112.1
Provision for reserves for contingent liabilities .....	670	207	8.0
Provision for reserves for price fluctuations .....	57,433	7,458	690.7
Donations for social welfare project promotion .....	552	552	6.6
Other extraordinary losses .....	2,119	—	25.4
NET SURPLUS BEFORE TAXES .....	152,096	153,627	1,829.1
Income taxes—current .....	19,627	327	236.0
Income taxes—deferred .....	(7,285)	9,829	(87.6)
NET SURPLUS FOR THE PERIOD .....	¥ 139,754	¥ 143,470	\$ 1,680.7

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥83.15 to US\$1.00 prevailing on March 31, 2011.

## Appropriation of Surplus

Meiji Yasuda Life Insurance Company

For the years ended March 31, 2011 and 2010

	Millions of Yen		Millions of U.S. Dollars*
	FY2010	FY2009	FY2010
Unappropriated surplus for the period .....	¥ 145,785	¥ 146,689	\$ 1,753.2
Reversal of voluntary reserves:			
Reversal of reserves for advanced depreciation of real estate .....	466	456	5.6
TOTAL UNAPPROPRIATED SURPLUS .....	146,252	147,146	1,758.8
Provision for reserves for policyholder dividends .....	118,365	123,038	1,423.5
Net surplus for the period:			
Reserves for loss compensation .....	358	373	4.3
Interest on foundation funds .....	774	1,043	9.3
Voluntary reserves:			
Reserves for redemption of foundation funds .....	15,000	15,000	180.3
Social welfare project promotion reserves .....	553	553	6.6
Operating base reinforcement reserves .....	11,000	6,000	132.2
Reserves for advanced depreciation of real estate .....	201	1,137	2.4

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥83.15 to US\$1.00 prevailing on March 31, 2011.

## Non-Consolidated Statement of Changes in Net Assets

Meiji Yasuda Life Insurance Company

For the years ended March 31, 2011 and 2010

	Millions of Yen		Millions of U.S. Dollars*
	FY2010	FY2009	FY2010
Foundation funds and others			
Foundation funds			
Balance at the end of previous period .....	¥ 60,000	¥ 60,000	\$ 721.5
Changes during the period			
Foundation funds procurement .....	60,000	—	721.5
Redemption of foundation funds .....	(60,000)	—	(721.5)
Total changes during the period .....	—	—	—
Balance at the end of current period .....	60,000	60,000	721.5
Accumulated redeemed foundation funds			
Balance at the end of previous period .....	350,000	350,000	4,209.2
Changes during the period			
Transfer to accumulated redeemed foundation funds .....	60,000	—	721.5
Total changes during the period .....	60,000	—	721.5
Balance at the end of current period .....	410,000	350,000	4,930.8
Revaluation reserves			
Balance at the end of previous period .....	452	452	5.4
Changes during the period			
Total changes during the period .....	—	—	—
Balance at the end of current period .....	452	452	5.4
Surplus retained			
Reserves for loss compensation			
Balance at the end of previous period .....	7,253	6,918	87.2
Changes during the period			
Transfer to reserves for loss compensation .....	373	335	4.4
Total changes during the period .....	373	335	4.4
Balance at the end of current period .....	7,626	7,253	91.7
Other surplus retained			
Reserves for redemption of foundation funds			
Balance at the end of previous period .....	45,000	30,000	541.1
Changes during the period			
Transfer to reserves for redemption of foundation funds .....	15,000	15,000	180.3
Reversal of reserves for redemption of foundation funds .....	(60,000)	—	(721.5)
Total changes during the period .....	(45,000)	15,000	(541.1)
Balance at the end of current period .....	—	45,000	—
Accumulated fund for price fluctuations			
Balance at the end of previous period .....	29,764	29,764	357.9
Changes during the period			
Total changes during the period .....	—	—	—
Balance at the end of current period .....	29,764	29,764	357.9
Reserves for retirement benefits			
Balance at the end of previous period .....	—	1,629	—
Changes during the period			
Reversal of reserves for retirement benefits .....	—	(1,629)	—
Total changes during the period .....	—	(1,629)	—
Balance at the end of current period .....	—	—	—
Social welfare project promotion reserves			
Balance at the end of previous period .....	47	528	0.5
Changes during the period			
Transfer to social welfare project promotion reserves .....	553	72	6.6
Reversal of social welfare project promotion reserves .....	(552)	(552)	(6.6)
Total changes during the period .....	0	(480)	0.0
Balance at the end of current period .....	48	47	0.5

	Millions of Yen		Millions of U.S. Dollars*
	FY2010	FY2009	FY2010
Operating base reinforcement reserves			
Balance at the end of previous period .....	¥ —	¥ —	\$ —
Changes during the period			
Transfer to operating base reinforcement reserves .....	6,000	—	72.1
Total changes during the period .....	6,000	—	72.1
Balance at the end of current period .....	6,000	—	72.1
Reserves for advanced depreciation of real estate			
Balance at the end of previous period .....	20,374	19,997	245.0
Changes during the period			
Transfer to reserves for advanced depreciation of real estate .....	1,137	827	13.6
Reversal of reserves for advanced depreciation of real estate .....	(456)	(450)	(5.4)
Total changes during the period .....	681	377	8.1
Balance at the end of current period .....	21,056	20,374	253.2
Special reserves			
Balance at the end of previous period .....	2,000	2,000	24.0
Changes during the period			
Total changes during the period .....	—	—	—
Balance at the end of current period .....	2,000	2,000	24.0
Other reserves			
Balance at the end of previous period .....	85	85	1.0
Changes during the period			
Total changes during the period .....	—	—	—
Balance at the end of current period .....	85	85	1.0
Unappropriated surplus			
Balance at the end of previous period .....	146,689	125,755	1,764.1
Changes during the period			
Transfer to reserves for policyholder dividends .....	(123,038)	(110,557)	(1,479.7)
Transfer to reserves for loss compensation .....	(373)	(335)	(4.4)
Interest payment on foundation funds .....	(1,043)	(1,043)	(12.5)
Net surplus .....	139,754	143,470	1,680.7
Transfer to reserves for redemption of foundation funds .....	(15,000)	(15,000)	(180.3)
Reversal of reserves for retirement benefits .....	—	1,629	—
Transfer to social welfare project promotion reserves .....	(553)	(72)	(6.6)
Reversal of social welfare project promotion reserves .....	552	552	6.6
Transfer to operating base reinforcement reserves .....	(6,000)	—	(72.1)
Transfer to reserves for advanced depreciation of real estate .....	(1,137)	(827)	(13.6)
Reversal of reserves for advanced depreciation of real estate .....	456	450	5.4
Reversal of revaluation reserves for land .....	5,479	2,666	65.8
Total changes during the period .....	(903)	20,933	(10.8)
Balance at the end of current period .....	145,785	146,689	1,753.2
Total surplus retained			
Balance at the end of previous period .....	251,215	216,679	3,021.2
Changes during the period			
Transfer to reserves for policyholder dividends .....	(123,038)	(110,557)	(1,479.7)
Interest payment on foundation funds .....	(1,043)	(1,043)	(12.5)
Net surplus .....	139,754	143,470	1,680.7
Reversal of reserves for redemption of foundation funds .....	(60,000)	—	(721.5)
Reversal of revaluation reserves for land .....	5,479	2,666	65.8
Total changes during the period .....	(38,849)	34,535	(467.2)
Balance at the end of current period .....	212,366	251,215	2,554.0
Total foundation funds and others			
Balance at the end of previous period .....	661,668	627,132	7,957.5
Changes during the period			
Foundation funds procurement .....	60,000	—	721.5
Transfer to reserves for policyholder dividends .....	(123,038)	(110,557)	(1,479.7)
Transfer to accumulated redeemed foundation funds .....	60,000	—	721.5
Interest payment on foundation funds .....	(1,043)	(1,043)	(12.5)
Net surplus .....	139,754	143,470	1,680.7
Redemption of foundation funds .....	(60,000)	—	(721.5)
Reversal of reserves for redemption of foundation funds .....	(60,000)	—	(721.5)
Reversal of revaluation reserves for land .....	5,479	2,666	65.8
Total changes during the period .....	21,150	34,535	254.3
Balance at the end of current period .....	682,819	661,668	8,211.8

	Millions of Yen		Millions of U.S. Dollars*
	FY2010	FY2009	FY2010
Valuation and translation adjustments and others			
Unrealized gains (losses) on available-for-sale securities			
Balance at the end of previous period .....	¥ 677,168	¥ 255,397	\$ 8,143.9
Changes during the period			
Net changes in items other than foundation funds and others .....	(150,093)	421,771	(1,805.0)
Total changes during the period .....	(150,093)	421,771	(1,805.0)
Balance at the end of current period .....	527,074	677,168	6,338.8
Deferred hedge gains (losses)			
Balance at the end of previous period .....	(6,519)	(7,158)	(78.4)
Changes during the period			
Net changes in items other than foundation funds and others .....	1,305	638	15.6
Total changes during the period .....	1,305	638	15.6
Balance at the end of current period .....	(5,213)	(6,519)	(62.6)
Revaluation reserves for land			
Balance at the end of previous period .....	77,829	80,432	936.0
Changes during the period			
Net changes in items other than foundation funds and others .....	(5,005)	(2,603)	(60.1)
Total changes during the period .....	(5,005)	(2,603)	(60.1)
Balance at the end of current period .....	72,823	77,829	875.8
Total valuation and translation adjustments and others			
Balance at the end of previous period .....	748,478	328,671	9,001.5
Changes during the period			
Net changes in items other than foundation funds and others .....	(153,793)	419,806	(1,849.5)
Total changes during the period .....	(153,793)	419,806	(1,849.5)
Balance at the end of current period .....	594,684	748,478	7,151.9
Total net assets			
Balance at the end of previous period .....	1,410,146	955,803	16,959.0
Changes during the period			
Foundation funds procurement .....	60,000	—	721.5
Transfer to reserves for policyholder dividends .....	(123,038)	(110,557)	(1,479.7)
Transfer to accumulated redeemed foundation funds .....	60,000	—	721.5
Interest payment on foundation funds .....	(1,043)	(1,043)	(12.5)
Net surplus .....	139,754	143,470	1,680.7
Redemption of foundation funds .....	(60,000)	—	(721.5)
Reversal of reserves for redemption of foundation funds.....	(60,000)	—	(721.5)
Reversal of revaluation reserves for land.....	5,479	2,666	65.8
Net changes in items other than foundation funds and others.....	(153,793)	419,806	(1,849.5)
Total changes during the period.....	(132,642)	454,342	(1,595.2)
Balance at the end of current period.....	1,277,503	1,410,146	15,363.8

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥83.15 to US\$1.00 prevailing on March 31, 2011.

## Notes to Non-Consolidated Financial Statements

Meiji Yasuda Life Insurance Company

### 1. Basis of Preparation of Financial Statements

The financial statements are prepared in accordance with the Insurance Business Law and the Enforcement Regulations thereunder and in accordance with standard accounting principles and procedures followed by life insurance companies in Japan.

### 2. Significant Accounting Policies

#### (1) Securities

- a. Trading Securities are stated at fair value based mainly on the business year-end closing market price (Cost of their sales is determined by the moving average method).
  - b. Held-to-Maturity Debt Securities are stated at amortized cost using the moving average method (straight-line method).
  - c. Stock Securities Issued by Subsidiaries and Affiliates are stated at cost using the moving average method (refers to stock securities issued by those subsidiaries prescribed under Article 2 Paragraph 12 of the Insurance Business Law, child companies, etc., excluding subsidiaries, prescribed under Article 13-5-2 Paragraph 3 of the Enforcement Regulations of the Insurance Business Law and other affiliates prescribed under Paragraph 4 of the same Article).
  - d. Available-for-sale Securities
    - Securities for which market quotations are available
      - i) Stock securities are stated at fair value based on the average market price during March.
      - ii) Others are stated at market price built on market value method at the end of March. (Cost of their sales is determined by the moving average method)
    - Securities for which it is extremely difficult to determine the fair value
      - i) Bonds and debentures (Including bonds issued overseas) for which the difference in acquisition amounts are recognized as the difference in interest rate adjustment are stated at amortized cost using the moving average method (straight-line method)
      - ii) Other Securities are stated at cost methods using the moving average method.
- With Available-for-sale Securities, valuation differences are computed using the net asset adjustment method.

#### (2) Derivative Transactions

Derivative transactions are stated at fair value.

#### (3) Depreciation of Tangible Fixed Assets

Depreciation of tangible fixed assets is determined according to the following methods.

- Buildings
  - 1) Acquired on or before March 31, 2007  
The former straight-line method.
  - 2) Acquired on or after April 1, 2007  
The straight-line method.
- Tangible fixed assets other than buildings
  - 1) Acquired on or before March 31, 2007  
The former declining balance method.
  - 2) Acquired on or after April 1, 2007  
The declining balance method.

#### (4) Depreciation of Computer Software

Depreciation of computer software included under intangible fixed assets is calculated according to the straight-line method based on the useful life of the product.

#### (5) Foreign Exchange Rate

Assets and liabilities denominated in foreign currencies other than the stock issued by subsidiaries and affiliates are converted into yen at the exchange rates prevailing on the last business day of March. The stock issued by subsidiaries and affiliates is converted into yen at the exchange rates prevailing on the date of their acquisition.

#### (6) Calculation Criteria for Reserves etc.

##### 1) Reserves for Possible Loan Losses

- a. Reserves for possible loan losses are calculated according to the Company's internal standards for risk assessment of assets and the rules for the write-off and provision of reserves. All loans are assessed by the departments concerned and the results are audited by an independent Auditing Department.
- b. For loans to legally bankrupt and substantially bankrupt borrowers, reserves are provided at the balance outstanding after the direct deduction shown below and deduction of the net amount collectible through the disposal of collateral or the execution of guarantees.
- c. For loans to borrowers with high possibility of bankruptcy, reserves are provided at the amount deemed necessary based on a general assessment of financial solvency, after deduction of the net amount collectible through the disposal of collateral or the execution of guarantees.
- d. Reserves for possible loan losses on other loans are calculated on a historical basis according to the actual rate of loan losses over a given period.
- e. Where loans to legally bankrupt or substantially bankrupt borrowers are covered by collateral or guarantees, the balance after deduction of the assessed value of the collateral and the amount considered to be collectible through the execution of guarantees is directly deducted from the loans outstanding. In FY2010, these direct deductions amounted to ¥118 million.

##### 2) Accrued Pension and Severance Costs

To provide for the payment of retirement benefits in the future, the retirement benefits are provided at the amount accrued at the end of the year, based on the Accounting Standards for Retirement Benefits.

The projected pension assets exceeded the projected retirement benefit obligations at the end of the current fiscal year. The balance of the accrued pension and severance costs was zero.

##### 3) Accrued Retirement Benefits for Directors and Executive Officers

In order to pay retirement allowances and bonuses to directors and executive officers, a portion of the projected payable amount that is recognized to have accrued at the end of the fiscal year is set aside as reserves for retirement benefits.

The fiscal 2007, the Compensation Committee decided to abolish the retirement allowances and bonuses scheme from June 30, 2008, and no provisions have been made in connection with incumbent directors and executive officers since that date.



#### **4) Reserves for Contingent Liabilities**

Reserves for contingent liabilities are provided based primarily on the amount of estimated possible losses in the future with respect to securitization of receivable. These reserves are provided in compliance with Article 24-4 of the Enforcement Regulations of the Insurance Business Law.

#### **5) Reserves for Price Fluctuations**

Reserves for price fluctuations are calculated in accordance with Article 115 of the Insurance Business Law.

#### **(7) Lease Transactions**

Ownership non-transfer finance lease transactions with starting dates on or before March 31, 2008 shall continue to be accounted for in accordance with the methods used for normal lease transactions.

#### **(8) Method of Hedge Accounting**

Hedging transactions have been accounted for in accordance with the "Accounting Standards for Financial Instruments" (Accounting Standards Board of Japan (ASBJ), March 10, 2008). These transactions consist primarily of: interest rate swaps used as a cash flow hedge related to loans and loans payable, which are treated exceptionally; and market-based hedge accounting using forward exchange contracts to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds.

From fiscal 2009, the company uses interest rate swap transactions for the purpose of hedging against interest rate fluctuation risk, and uses deferred hedge treatment under the Industry Audit Committee Report No. 26, "Accounting and Audit Treatments Related to the Adoption of Accounting for Financial Instruments in the Insurance Industry" (Japanese Institute of Certified Public Accountants (JICPA) September 3, 2002). Hedge effectiveness is assessed by verifying the interest rate situation that exerts the impact on calculations of theoretical prices for both hedged items and hedging instruments.

#### **(9) Consumption Tax**

Consumption and local consumption taxes and the base price are recorded separately. Note that deferred consumption taxes on assets that do not qualify as deductive expenses are recorded as prepaid expenses and amortized on a straight-line basis over a five year period. Other consumption taxes that do not qualify as deductive expenses are recorded as expenses for the fiscal year in which they are incurred.

#### **(10) Policy Reserves**

Policy reserves are provided in accordance with Article 116 of the Insurance Business Law. The amounts are calculated using the following methods.

- a. Reserves for policies subject to the standard policy reserve requirement are calculated according to ordinances stipulated by the Prime Minister.
- b. Reserves for other policies are calculated on the basis of the net level premium method.

Under the provisions of Article 69 Paragraph 5 of the Enforcement Regulations of the Insurance Business Law, the policy reserves include an amount to be additionally set aside as the difference arising from calculations of premium reserves using the expected rate of interest of 2.75% for individual annuity contracts concluded on or before April 1, 1996. The accumulation of the amount was completed on schedule over a period of three years

starting in fiscal 2007. Apart from that, an additional reserve for this difference portion for the period of annuity payment shall be accumulated at the beginning of payment of each annuity contract.

#### **(Change of accounting policy)**

##### **(1) Asset Retirement Obligations**

Effective this fiscal year, the Company has applied "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan (ASBJ); March 31, 2008) and "Implementation Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ); March 31, 2008).

As a result, compared to the previous method, tangible fixed asset increased by ¥2,564 million, asset retirement obligations of ¥3,372 million was newly recorded, ordinary income decreased by ¥134 million, net surplus before taxes decreased by ¥808 million.

### **3. Balance Sheets**

#### **(1) Depreciation on Tangible Fixed Assets**

Accumulated depreciation on tangible fixed assets totaled ¥434,961 million.

#### **(2) Assets and Liabilities for Separate Accounts**

Combined assets and liabilities for separate accounts, prescribed in Article 118 paragraph 1 of the Insurance Business Law, amounted to ¥694,105 million.

#### **(3) Resource of Surplus Distribution**

The resource of surplus distribution as provided for in Article 30 paragraph 2 of the Enforcement Regulations of the Insurance Business Law was ¥595,137 million.

#### **(4) Monetary Claims on and Monetary Liabilities to Subsidiaries**

Total monetary claims on the Company's subsidiaries amounted to ¥3,187 million, while total monetary liabilities owed to subsidiaries amounted to ¥3,733 million.

#### **(5) Leased Movables**

The Company holds leased movables, including computers and peripherals, in addition to the tangible and intangible fixed assets reported on the Balance Sheets.

#### **(6) Reserves for Policyholder Dividends**

Changes in the reserves for policyholder dividends for FY2010 are shown below:

a. Balance at the end of FY2009 .....	¥330,649 million
b. Provision from surplus for FY2009 .....	¥123,038 million
c. Dividends to policyholders in FY2010 .....	¥136,545 million
d. Interest on reserves .....	¥ 860 million
e. Balance at the end of FY2010 .....	¥318,003 million

#### **(7) Assets and Liabilities Denominated in Foreign Currencies**

Assets denominated in foreign currencies totaled ¥2,670,855 million. (The main foreign currencies are US\$25,887 million and EUR 3,244 million.) Liabilities denominated in foreign currencies totaled ¥3,475 million. (The main foreign currencies are EUR 10 million and US\$12 million.)

#### **(8) Foundation Funds Procurement**

In accordance with the provisions of Article 60 of the Insurance Business Law, the Company newly added a total of ¥60,000 million in foundation funds.

### **(9) Reserve for Redemption of Foundation Funds**

Along with the redemption of the ¥60,000 million in foundation funds, the same amount was transferred to the accumulated redeemed foundation funds in accordance with the provisions of Article 56 of the Insurance Business Law.

### **(10) Assets Pledged as Collateral**

Assets pledged as collateral amounted to ¥3,379 million in securities.

### **(11) Status and fair value of financial instruments**

#### **1) Financial Instruments**

The “surplus management-type ALM” used for managing assets in the general account other than the separate accounts prescribed in Article 118 Paragraph 1 of the Insurance Business Law sees the surplus arising from the difference between assets and liabilities assessed at economic value as an indicator of financial soundness and focuses on fluctuations in this surplus (risk).

Based on this policy, the specific financial assets in which the company invests are principally securities and loans. Securities holdings primarily consist of bonds, stocks, investment trusts and investments in partnership capital; loans primarily consist of loans to domestic customers and individuals.

As a general rule, use of derivatives is limited to hedging, primarily as a method of hedging against invested asset risk and insurance liability risk. Hedging transactions have been accounted for in accordance with the “Accounting Standards for Financial Instruments” (Accounting Standards Board of Japan (ASBJ), March 10, 2008). These transactions consist primarily of: interest rate swaps used as a cash flow hedge related to loans, which are treated exceptionally; market-based hedge accounting using forward exchange contracts to hedge against exchange rate fluctuation risk related to foreign currency denominated bonds; and hedges against interest rate risk related to insurance liability using interest rate swaps.

Securities are exposed to market risk (interest rate fluctuation risk, exchange rate fluctuation risk and price fluctuation risk) and credit risk; loans to credit risk and interest rate fluctuation risk; and derivatives transactions to market risk and credit risk.

Loan payable is exposed to interest rate fluctuation risk because they are made at fluctuating interest rates.

With regard to interest rate fluctuation risk management, fluctuation risk is managed on the basis of economic values, including liabilities, from a surplus management perspective, through purchases of super long-term bonds aimed at prolonging asset duration in a sustained, stable manner and through interest rate risk hedges against insurance liabilities using interest rate swaps. The company hedges against exchange risk using forward exchange contracts where necessary for appropriate control of exchange fluctuation risk levels. With regard to market risk management including price fluctuation risk, the company makes integrated management for outstanding balances and the profit and loss situation of securities and derivatives transactions while mechanisms have been introduced to keep losses to within certain limits by establishing appropriate caps.

The Value at Risk (VaR) method is also used to measure the maximum foreseeable loss, and stress tests are regularly performed to simulate conditions that might arise in the event of sharp market fluctuations that exceed normal forecasts. The

department which manages investment risk monitors the profit and loss situation and compliance with rules, while in addition to reporting on important matters to the Board of Directors, the department which manages investment risk submits reports regularly (or immediately in urgent cases) to the Sub-committee.

When managing credit risk, the risk inherent in each transaction is carefully identified and investments are limited to those that are judged to be highly safe. With regard to corporate loans, where credit risk judgments are particularly important, the department which manages credit risk ensure that a rigorous screening system is in place. In addition to monitoring customers who are granted credit facilities and implementing an internal credit rating scheme that uses corporate screening methods, the company takes decisions on highly important deals following careful discussions by the Investment Council (Management Council). Further, it sets exposure limits based on creditworthiness to ensure that risk is not concentrated among certain companies or groups, and works to disperse investments.

The company limits risk by drawing up policies on using derivatives transactions, establishing limits on balances according to the type of transaction, and setting exposure limits for each counter party. At the same time, a system of internal checks has been established by isolating the departments executing the transactions from the administrative departments to ensure risk management is on an appropriate footing.

The fair values of financial instruments are prices based on the market price and, in cases where market prices are not available, include prices calculated by reasonable methods. Since certain assumptions, etc., are adopted for said price calculations, said prices may differ when different assumptions are used.

## 2) Fair Values of Financial Instruments

The amounts of the principal financial assets and liabilities reported in the balance sheet at the end of the fiscal year, and fair values and the differences between them, are as follows.

(Millions of Yen)

	Amount reported in the balance sheet	Fair value	Difference
Cash and deposits.....	203,824	203,824	—
Available-for-sale securities(CDs) .....	61,994	61,994	—
Monetary claims bought .....	241,015	248,681	7,666
Held-to-maturity debt securities.....	227,094	234,761	7,666
Available-for-sale securities.....	13,920	13,920	—
Securities.....	18,372,566	18,556,977	184,410
Trading securities .....	659,544	659,544	—
Held-to-maturity debt securities.....	5,606,398	5,790,808	184,410
Available-for-sale securities.....	12,106,624	12,106,624	—
Loans.....	5,082,632	5,212,945	130,313
Policy loans .....	348,219	348,219	—
Financial loans.....	4,734,412	4,864,725	130,313
Reserves for possible loan losses (*1).....	(5,406)	—	—
	5,077,226	5,212,945	135,719
Deposits received on bonds lending.....	665,809	665,809	—
Loans payable .....	100,000	100,000	—
Derivative financial instruments (*2).....	(19,346)	(19,346)	—
Items to which hedge accounting does not apply.....	(246)	(246)	—
Items to which hedge accounting applies.....	(19,100)	(19,100)	—

(\*1) Excludes general reserve for possible losses on loans and specific reserve for possible loan losses related to loans

(\*2) The net amounts of claims and liabilities arising from derivatives transaction are shown as net amounts, and items whose totals are net liabilities are shown in parentheses ( ).

### a. Method used to calculate the fair value of financial instruments

#### Assets

##### ① Cash and deposits

The company uses book values for fair values because it assumes that since contract terms are short, fair values are close to book values. The same assessment method as in ③ Securities, has been used for securities transactions based on “Accounting Standards for Financial Instruments (ASBJ March 10, 2008).

##### ② Monetary claims bought

The same assessment method as in ③ Securities has been used for those monetary claims bought handled as securities under the provisions of the “Accounting Standards for Financial Instruments” (ASBJ, March 10, 2008), primarily in that the fair value is the price calculated by discounting the future cash flow received from transaction partners to the present value.

Some subordinated trust beneficiary rights are not included in monetary claims bought and their fair values are not subject to disclose, because it is recognized that it is extremely difficult to identify the fair value due to problems in calculating future cash flow. The balance sheet amount of said trust beneficiary rights at fiscal year-end was ¥36,366 million.

##### ③ Securities

Of available-for-sale securities, domestic stocks for which market quotations are available are stated at the average market price during March. Securities other than these are stated at market price as of the end of March.

Unlisted stocks, etc., for which market quotations are not available are not included among securities and their fair values are not subject to disclosure, because it is recognized that

it is extremely difficult to identify the fair value. The balance sheet amount of said unlisted stocks at fiscal year-end was ¥1,062,135 million, of which ¥139,493 million was stocks issued by subsidiaries and affiliates. Impairment losses of ¥297 million were recognized in connection with unlisted stocks other than stocks issued by subsidiaries and affiliates.

##### ④ Loans

The company uses book values for the fair values of policy loans because it assumes that fair values are close to book values as a result of projected repayment periods, interest conditions, etc., and no repayment periods according to characteristics such as limiting loans to within the cash surrender value.

The fair values of financial loans are primarily stated at prices that discount future cash flow to present value. The fair values of loans to borrowers who are legally bankrupt, substantially bankrupt or have a high possibility of bankruptcy are stated at the amounts obtained by deducting estimated losses from the book value before direct deductions.

#### Liabilities

##### ① Deposits received on bonds lending

The company uses book values for fair values because it assumes that since contract terms are short, fair values are close to book values.

##### ② Loans payable

Since loans are made at fluctuating interest rates that reflect market interest rates in the short term, and the company's credit standing does not change much after borrowing, their fair value is stated at book value because it is assumed said fair value is close to said book value.

### Derivative financial instruments

① The fair values of stock exchange transaction of stock index futures and bond futures etc., are stated at the closing or settlement prices as of March 31.

② The fair values of OTC transaction of foreign exchange contracts etc., are stated at theoretical prices based on the TTM, WM/Reuters or discount rate on March 31, or fair values obtained from counter parties on March 31.

③ The fair values of interest swap transactions are stated at theoretical prices discounting the difference of future cash flow to the present value, or fair values obtained from counter parties on March 31.

Since interest swaps subject to exceptional treatment are treated as an integral part of the hedged loan, their fair values are stated as included in the fair values of said loans.

b-1. (Millions of Yen)

Type	Amount reported in the balance sheet	Fair value	Difference
Securities whose fair value exceeded the balance sheet amount			
1) Government & Municipal bonds .....	4,635,718	4,809,800	174,081
2) Corporate bonds.....	580,257	596,051	15,794
3) Other .....	303,278	312,648	9,370
Total .....	5,519,254	5,718,500	199,246
Securities whose fair value does not exceed the balance sheet amount			
1) Government & Municipal bonds .....	206,026	200,732	(5,294)
2) Corporate bonds.....	52,321	51,357	(964)
3) Other .....	55,889	54,979	(910)
Total .....	314,238	307,068	(7,169)

(\*) This table includes securities that are deemed appropriate to handle under the Financial Instruments and Exchange Act.

### b. Notes Concerning Securities Holdings by Purpose

① The valuation difference on Trading Securities included in profits (losses) for the fiscal year amounted to -¥1,068 million.

② The amounts reported in the balance sheet and fair values of the Held-to-Maturity Debt Securities by type at the end of the fiscal year, and the differences between them, are as follows (b-1). No Held-to-Maturity Debt Securities were sold during the fiscal year.

③ Sales of available-for-sale securities during the fiscal year amounted to ¥2,591,820 million; total gains on sales was ¥74,018 million; total loss on sales was ¥130,164 million. With regard to available-for-sale securities, acquisition costs, amortized costs, balance sheet amounts and the differences between them for each type of security are as follows (b-2).

④ "Acquisition or amortized costs" in the b-2 table refers to book values after impairment losses. Impairment losses on Available-for-sale securities for which market quotations are available amounted to ¥15,892 million during the fiscal year.

b-2. (Millions of Yen)

Type	Acquisition or amortized costs	Amount reported in the balance sheet	Difference
Securities whose balance sheet amount exceeds the acquisition or amortized costs			
(1) Stocks .....	1,405,221	2,210,039	804,818
(2) Bonds.....	5,151,426	5,293,464	142,037
1) Government & Municipal bonds ....	4,547,229	4,667,500	120,270
2) Corporate bonds.....	604,196	625,963	21,766
(3) Other .....	953,255	1,014,289	61,033
Total .....	7,509,903	8,517,793	1,007,889
Securities whose balance sheet amount does not exceed the acquisition or amortized costs			
(1) Stocks .....	350,197	311,017	(39,180)
(2) Bonds.....	1,760,982	1,730,378	(30,603)
1) Government & Municipal bonds ....	1,646,868	1,618,172	(28,695)
2) Corporate bonds.....	114,113	112,205	(1,907)
(3) Other .....	1,735,927	1,623,349	(112,578)
Total .....	3,847,108	3,664,745	(182,362)

(\*) This table includes securities that are deemed appropriate to handle under the Financial Instruments and Exchange Act.

### c. Projected amounts for monetary claims and securities with maturity period to be redeemed following the balance sheet date

c-1. (Millions of Yen)

	≤ 1 year	> 1 year ≤ 3 years	> 3 years ≤ 5 years	> 5 years ≤ 7 years	> 7 years ≤ 10 years	> 10 years
Deposits.....	203,245	—	—	—	—	—
Monetary claims bought .....	—	—	2,008	—	—	239,007
Loans (*) .....	737,081	1,058,743	1,032,443	692,378	715,501	491,638
Securities						
Held-to-maturity debt securities.....	528,148	968,182	909,402	208,887	511,417	2,480,359
Available-for-sale securities with maturity period .....	92,807	112,741	394,992	558,718	1,869,524	6,477,985
Total .....	1,561,283	2,139,667	2,338,845	1,459,984	3,096,444	9,688,991

(\*) Loans do not include ¥3,075 million in claims against obligors who are bankrupt, etc., or other projected redemption amounts that are not expected to be recovered.

(\*) Policy loans that have no maturity period are not included in loans.

**d. Projected amounts of deposits received on bonds lending and loans payable to be repaid following the balance sheet date**

d-1.

(Millions of Yen)

	≤ 1 year	> 1 year ≤ 3 years	> 3 years ≤ 5 years	> 5 years ≤ 7 years	> 7 years ≤ 10 years	> 10 years
Deposits received on bonds lending.....	665,809	—	—	—	—	—
Loans payable .....	—	—	—	—	—	100,000
Total .....	665,809	—	—	—	—	100,000

**(12) Real Estate**

The company has office buildings for lease in the Tokyo Metropolitan Area and elsewhere. The balance sheet amount of said, real estate as of the end of the fiscal year was ¥588,244 million, and the fair value was ¥617,740 million. Fair values are primarily calculated by means of the appraisal value by real estate appraisers (including those adjusted using indices, etc.)

**(13) Non-Performing Loans**

- Non-performing loans, including loans to bankrupt borrowers, past due loans, loans past due for three months or more, and restructured loans totaled ¥27,718 million. Loans to bankrupt borrowers amounted to ¥187 million and past due loans totaled ¥6,419 million.
- The direct deduction of estimated uncollectible amount for loans to bankrupt borrowers and past due loans was respectively ¥91 million, ¥27 million.
- Loans to bankrupt borrowers are nonaccrual loans for which events defined in Articles 96-1, subparagraphs 3 (i-v) and 4 of the Enforcement Regulations of the Corporate Income Tax Law (the Ordinance No. 97, 1965) have taken place. Accrued interest is not recorded as income due to substantial doubt over the ability to collect interest or principal because of delay in payment for extended periods.
- Past due loans are nonaccrual loans, other than loans to bankrupt borrowers, and loans whose interest payments are postponed to support the reconstruction efforts of borrowers.
- There were no loans past due for three months or more. Loans past due for three months or more are loans for which interest or principal payments are delinquent for three months or more under terms of the respective loans but not classified as loans to bankrupt borrowers or past due loans.
- Restructured loans totaled ¥21,111 million. Restructured loans are those subject to certain favorable concessions, including reduced interest rates or moratorium on interest payments, moratorium on repayments, or debt forgiveness, which are made to support the reconstruction efforts of borrowers.

**(14) Securities Lent**

The balance sheet amount of the securities lent under consumption loan agreements, including sales and repurchase transactions ("repo") was ¥1,378,473 million.

**(15) The Balance of Funds not yet Provided in Financing through Commitment Line Agreements for Loans**

The balance of funds not yet provided in financing through commitment line agreements for loans totaled ¥7,063 million.

**(16) Loans Payable**

Loans payable are subordinated debts whose repayment is subordinated to other obligation.

**(17) Contribution to Life Insurance Policyholders' Protection Corporation of Japan**

The amount of the future contribution to the Life Insurance Policyholders' Protection Corporation of Japan, founded in accordance with Article 259 of the Insurance Business Law, is estimated at ¥47,980 million. The contribution is recorded as an operating expense at the time of payment.

**(18) Liability for Retirement Benefits**

The detail of the Liability for Retirement Benefits is as listed below:

a. Benefit obligation .....	¥356,058 million
b. Plan assets .....	¥290,143 million
Of which: retirement benefit trust .....	¥123,418 million
c. Non-accumulated liability for retirement benefits (a+b) .....	¥ 65,915 million
d. Unrecognized actuarial difference .....	¥145,590 million
e. Unrecognized prior service cost .....	¥ 10,171 million
f. Pre-paid plan cost .....	¥ 69,503 million
g. Accrued pension and severance costs (c+d+e-f) .....	¥ — million

A calculation of Liability for Retirement Benefits is as listed below:

a. Allocation of expected retirement benefit payments .....	Fixed payments over a period of time
b. Discount rate .....	2.0%
c. Expected rate of return on plan assets	
Defined benefit corporate pension fund .....	3.0%
Retirement benefit trust .....	0.0%
d. Years for amortization of actuarial difference .....	10 years
e. Years for amortization of prior service cost .....	10 years

**(19) Deferred Tax Assets and Liabilities**

- Deferred tax assets, which amount to ¥640,380 million, consist mainly of ¥426,637 million in policy reserves, ¥87,632 million in reserves for price fluctuations, ¥51,562 million in losses on securities appraised. The amount of deferred tax assets deducted as allowance account was ¥4,064 million.
- Deferred tax liabilities, which amount to ¥304,843 million, consist mainly of ¥265,614 million on unrealized gains on available-for-sale securities.
- The statutory effective tax rate for FY2010 was 36.15%. The difference between the statutory effective tax rate and the tax burden ratio after applying tax effect accounting consists primarily of a decrease of 28.13% in reserves for policyholder dividends.

**(20) Revaluation of Land for Business**

- Land used for the Company's business was revalued at publicly disclosed prices, in accordance with the Law concerning the Revaluation of the Land (Law No. 34, promulgated on March 31, 1998).

- b. Unrealized gains on the revaluation of land, net of deferred tax, was reported as revaluation reserves for land within net assets, and the relevant deferred tax was included in liabilities as deferred tax liabilities on revaluation of land.
- c. Date of revaluation: March 31, 2000  
Method of revaluation as provided in Article 3-3 of the law:  
The fair value of land is determined based on revisions to the Law Concerning Public Notification of Land Prices, as stipulated in Article 2-1 of the Law Concerning the Revaluation of Land (Law No. 119, issued on March 31, 1998) after making reasonable adjustments.
- d. The date and method related to the revaluation reserves of land acquired from The Yasuda Mutual Life Insurance Company upon the merger on January 1, 2004, are as follows.  
Date of revaluation: March 31, 2001  
Method of revaluation as provided in Article 3-3 of the law:  
The fair value of land is determined based on revisions to the Law Concerning Public Notification of Land Prices, as stipulated in Article 2-1 of the Law Concerning the Revaluation of Land (Law No. 119, issued on March 31, 1998) after making reasonable adjustments or to the Law Concerning Appraised Values, as stipulated in Article 2-5.

#### (21) Subsidiaries' Shares

The shares of subsidiaries were valued at ¥146,119 million.

#### (22) Others

The reserves for outstanding claims corresponding to the portion of reinsurance provided for under Article 71-1 of the Enforcement Regulations of the Insurance Business Law applied mutatis mutandis to Article 73-3 amounted to ¥24 million, and the underwriting reserves provided for under Article 71-1 of the Enforcement Regulations of the Insurance Business Law amounted to ¥3,441 million.

### 4. Operations and Surplus

#### (1) Transactions with Subsidiaries

Total profits from transactions with the Company's subsidiaries amounted to ¥14,375 million, while total expenses amounted to ¥29,286 million.

#### (2) Gains and Losses on Securities

- a. Gains on securities sold are ¥33,477 million from domestic bonds, ¥40,244 million from domestic stocks, and ¥11 million from foreign securities.
- b. Losses on securities sold are ¥18,709 million from domestic bonds and ¥7,413 million from domestic stocks, and ¥104,041 million from foreign securities.
- c. Losses on securities appraised are ¥16,190 million from domestic stocks, and ¥5,101 million from foreign securities.

#### (3) Outstanding Claims and Policy Reserves

When calculating the provision for reserves for outstanding claims, the additional amount of the reversal of reserves for outstanding claims for ceded reinsurance was ¥36 million. When calculating the provision for policy reserves, the deducted amount of the provision of policy reserves for ceded reinsurance was ¥2,172 million.

#### (4) Derivative Financial Instruments

Income for derivative financial instruments included valuation losses of ¥34,901 million.

#### (5) Cost of Retirement Benefits

The itemization of cost of retirement benefits is as listed below:

- a. Service cost ..... ¥10,920 million  
b. Interest cost ..... ¥ 7,310 million  
c. Expected return on plan assets ..... -¥ 5,205 million  
d. Amortization of actuarial difference ..... ¥11,355 million  
e. Amortization of prior service cost ..... -¥ 2,924 million  
f. Others ..... ¥ 1,440 million  
Net Benefit Cost amounted to ¥22,895 million (a+b+c+d+e+f).

#### (6) Other Extraordinary Losses

Other extraordinary losses is an amount equivalent to increased severance payments under the early retirement preferential treatment plan, and the depreciation and other expenses that the Company incurred in or before the previous fiscal year due to the application of new accounting standards concerning asset retirement obligations.

#### (7) Impairment Losses

Impairment losses for the year are as itemized below:

- 1) Asset grouping method  
Real estate, etc., provided for the use of the insurance business, etc., is treated as a single asset group for the overall insurance business, etc. For rental real estate and idle real estate, etc., not provided for the use of the insurance business, each individual property is treated as a single asset group.
- 2) Recognition of impairment losses  
Since there were marked declines in the profitability or fair value of some asset groups as a result of the deterioration in real estate market, book values were reduced to the amounts collectible, and the amounts of reduction were reported under extraordinary losses as impairment losses.
- 3) Itemization of asset groups for which impairment losses were recognized, and impairment losses posted by type of fixed asset

Type	No. of cases	Impairment loss (¥ million)		
		Land	Buildings	Total
Rental real estate, etc.	2	5,250	638	5,889
Idle real estate, etc.	43	1,382	2,050	3,432
Total	45	6,633	2,689	9,322

#### 4) Calculations of collectible amounts

The collectible amounts applied are the value in use or net sales value in the case of rental real estate, etc., and the net sales value in the case of idle real estate. Value in use has been calculated as the future cash flow after reflecting estimated divergence risk, discounted by 2.48%. The net sales value is calculated on the basis of the price obtained by deducting estimated disposal expenses from the appraisal value based on real estate appraisal criteria, or the appraisal price based on the posted price.

## Supplementary Financial Information (Non-Consolidated Basis)

Meiji Yasuda Life Insurance Company

### 1. Outline of Life Insurance and Group Pension Business

#### 1-1. Life Insurance and Group Pensions in Force

	(Millions of Yen)	
	FY2010	FY2009
Individual life insurance .....	¥ 92,383,785	¥ 97,485,858
Individual annuities .....	12,082,476	11,690,075
Group life insurance .....	106,019,687	105,815,528
Group pensions* .....	6,455,066	6,456,604

\*Sum total of policy reserves for group pensions

#### 1-2. Life Insurance and Group Pensions New Business

	(Millions of Yen)	
	FY2010	FY2009
Individual life insurance .....	¥4,013,553	¥2,375,874
Individual annuities .....	874,304	914,138
Group life insurance .....	509,291	1,114,015
Group pensions* .....	896	679

\*Sum total of first premiums

#### 1-3. Premium Income

	(Millions of Yen)	
	FY2010	FY2009
Individual life insurance .....	¥2,465,192	¥1,590,745
Individual annuities .....	498,141	649,954
Group life insurance .....	300,435	302,836
Group pensions .....	634,207	690,839
<b>TOTAL*</b> .....	<b>¥3,943,298</b>	<b>¥3,281,153</b>

\*Total includes premium income from other types of insurance and annuities.

#### 1-4. Insurance Benefits Paid

	FY2010					FY2009
	Individual life	Individual annuities	Group life	Group pensions	Total*	Total*
Claims paid:						
Death benefits .....	¥248,183	¥ 1,182	¥147,196	—	¥401,253	¥421,884
Accidental death benefits .....	3,553	6	355	—	3,990	4,471
Disability benefits .....	38,574	68	11,298	—	49,952	51,967
Maturity benefits .....	251,285	103	9	1,741	254,122	337,308
Others .....	443	—	14	—	458	476
Annuities paid .....	18,444	204,235	20,871	197,811	446,640	425,436
Benefits on policies paid:						
Death benefits .....	5,320	18,934	6	3,519	28,083	21,446
Hospitalization benefits .....	39,779	1,309	412	—	43,187	44,394
Operation benefits .....	20,816	830	—	—	21,731	22,385
Injury benefits .....	1,014	3	90	—	1,114	1,129
Survivor benefits .....	70,073	1,061	—	—	72,705	77,074
Lump sum benefits .....	—	—	195	286,681	286,877	326,202
Others .....	30,420	5,597	—	2,723	38,779	32,204
Surrender benefits paid .....	237,934	92,508	—	108,293	462,020	485,980

\*Total includes insurance benefits paid to other types of insurance and annuities.

## 2. Outline of Investments (General Account)

### 2-1. Breakdown of Assets

	(Millions of Yen)	
	FY2010	FY2009
Cash, deposits and call loans.....	¥ 423,032	¥ 548,469
Monetary claims bought .....	277,381	284,939
Securities:		
Domestic bonds .....	12,498,167	10,441,280
Domestic stocks.....	2,777,053	3,217,004
Foreign securities:		
Foreign bonds .....	2,389,505	1,769,000
Foreign stocks .....	1,046,871	1,013,523
Others .....	63,560	67,504
Loans:		
Policy loans .....	348,219	362,313
Financial loans .....	4,734,412	5,114,950
Real estate .....	1,006,039	1,024,871
Deferred tax assets .....	331,472	243,397
Others .....	501,657	352,437
Reserves for possible loan losses ..	(16,665)	(15,070)
<b>TOTAL .....</b>	<b>¥26,380,708</b>	<b>¥24,424,621</b>
(Assets denominated in foreign currencies) .....	¥ 2,510,685	¥ 1,899,026

### 2-2. Average Balances of Assets

	(Millions of Yen)	
	FY2010	FY2009
Cash, deposits and call loans.....	¥ 404,779	¥ 607,886
Monetary claims bought .....	285,210	284,987
Domestic bonds .....	11,400,943	9,636,555
Domestic stocks .....	2,095,051	2,273,956
Foreign securities:		
Foreign bonds .....	2,063,877	1,745,192
Foreign stocks .....	1,016,998	973,299
Loans .....	5,219,991	5,751,561
(Financial loans) .....	4,864,858	5,382,689
Real estate .....	1,022,772	1,050,140
<b>TOTAL .....</b>	<b>¥24,533,659</b>	<b>¥23,309,323</b>
(Overseas investments) .....	¥ 3,328,520	¥ 3,042,271

### 2-3. Investment Income and Gain

	(Millions of Yen)	
	FY2010	FY2009
Interest and dividends .....	¥ 536,021	¥ 480,232
Gains on money-held-in-trust .....	2	1
Gains on securities sold .....	74,018	81,216
Gains on securities redeemed.....	—	4,077
Income for derivative financial instruments .....	65,656	31,461
Others .....	16	142
<b>TOTAL .....</b>	<b>¥ 675,715</b>	<b>¥ 597,132</b>

### 2-4. Investment Expenses and Losses

	(Millions of Yen)	
	FY2010	FY2009
Interest paid .....	¥ 3,297	¥ 3,570
Losses on securities sold .....	130,164	58,221
Losses on securities appraised .....	21,292	12,258
Losses on securities redeemed .....	2,451	7,562
Losses on foreign exchange .....	580	337
Provisions of reserves for possible loan losses .....	532	11,447
Depreciation of real estate for rent ..	10,481	11,075
Others .....	10,428	11,572
<b>TOTAL .....</b>	<b>¥ 179,229</b>	<b>¥ 116,046</b>

### 2-5. Net Investment Returns

	(%)	
	FY2010	FY2009
Cash, deposits and call loans .....	0.09	0.14
Monetary claims bought .....	2.28	2.20
Domestic bonds .....	1.95	1.87
Domestic stocks .....	4.00	2.84
Foreign securities:		
Foreign bonds .....	1.12	4.87
Foreign stocks .....	3.47	2.31
Loans .....	2.04	1.85
(Financial loans) .....	1.84	1.65
Real estate .....	1.72	2.09
<b>TOTAL .....</b>	<b>2.02</b>	<b>2.06</b>
(Overseas investments) .....	1.91	3.75



## 2-6. Breakdown of Securities Investment

(Millions of Yen)

	FY2010	FY2009
Domestic bonds:		
Government bonds .....	¥ 9,926,020	¥ 7,671,177
Municipal bonds .....	1,201,398	1,229,061
Corporate bonds .....	1,370,748	1,541,042
(Public corporation bonds) .....	504,000	642,478
Domestic stocks .....	2,777,053	3,217,004
Foreign securities:		
Foreign bonds .....	2,389,505	1,769,000
Foreign stocks .....	1,046,871	1,013,523
Others .....	63,560	67,504
<b>TOTAL .....</b>	<b>¥ 18,775,157</b>	<b>¥ 16,508,313</b>

## 2-7. Breakdown of Loans

(Millions of Yen)

	FY2010	FY2009
Policy loans .....	¥ 348,219	¥ 362,313
Financial loans:		
(Overseas loans) .....	181,022	263,651
Corporate loans .....	4,224,255	4,528,331
(to domestic corporations) .....	4,174,836	4,449,967
Loans to governments and supranationals .....	100,807	144,789
Loans to public organizations .....	134,370	135,945
Housing loans .....	122,068	130,630
Consumer loans .....	150,705	172,636
Others .....	2,205	2,617
<b>TOTAL .....</b>	<b>¥ 5,082,632</b>	<b>¥ 5,477,264</b>

## Securities and Others with Market Value\*

(Millions of Yen)

	FY2010				
	Book value	Market value	Equivalent of net unrealized gains	Equivalent of gross unrealized gains	Equivalent of gross unrealized losses
Domestic bonds .....	¥ 12,386,733	¥ 12,681,784	¥ 295,051	¥ 331,914	¥ 36,862
Domestic stocks .....	1,755,419	2,521,057	765,637	804,818	39,180
Foreign securities:					
Foreign bonds .....	2,399,678	2,354,487	(45,190)	21,615	66,806
Foreign stocks .....	312,168	303,759	(8,408)	36,093	44,501
Other securities .....	33,477	36,343	2,866	4,873	2,007
Others** .....	303,028	310,675	7,648	7,821	172
<b>TOTAL .....</b>	<b>¥ 17,190,504</b>	<b>¥ 18,208,109</b>	<b>¥ 1,017,604</b>	<b>¥ 1,207,136</b>	<b>¥ 189,531</b>

(Millions of Yen)

	FY2009				
	Book value	Market value	Equivalent of net unrealized gains	Equivalent of gross unrealized gains	Equivalent of gross unrealized losses
Domestic bonds .....	¥ 10,343,441	¥ 10,582,768	¥ 239,327	¥ 258,714	¥ 19,387
Domestic stocks .....	1,996,660	2,956,261	959,600	985,063	25,463
Foreign securities:					
Foreign bonds .....	1,778,693	1,769,075	(9,617)	14,422	24,039
Foreign stocks .....	267,354	277,359	10,004	43,992	33,987
Other securities .....	34,658	38,101	3,443	4,892	1,449
Others** .....	416,975	419,154	2,180	3,167	987
<b>TOTAL .....</b>	<b>¥ 14,837,784</b>	<b>¥ 16,042,722</b>	<b>¥ 1,204,938</b>	<b>¥ 1,310,254</b>	<b>¥ 105,316</b>

\* The above table shows information regarding securities and other instruments with market price. Trading securities are not included.

\*\*Others include those instruments treated as securities regulated by the Financial Instruments and Exchange Act, such as certificate of deposit.

## 2-8. Distribution of Foreign Securities Investment and Overseas Loans

(Millions of Yen)

	FY2010				FY2009			
	Foreign securities			Overseas loans	Foreign securities			Overseas loans
	Total	Bonds	Stocks		Total	Bonds	Stocks	
North America .....	¥ 1,767,695	¥ 1,721,949	¥ 45,746	¥ 26,000	¥ 1,162,323	¥ 1,113,799	¥ 48,524	¥ 44,000
Europe .....	538,577	464,651	73,925	69,000	615,904	539,879	76,025	94,000
Oceania .....	71,727	71,727	—	—	42,855	42,855	—	—
Asia .....	21,042	9,901	11,141	4,126	3,604	—	3,604	6,334
Latin America .....	957,709	41,650	916,058	4,338	925,663	40,294	885,369	4,400
Middle East .....	—	—	—	—	—	—	—	—
Africa .....	—	—	—	—	—	—	—	2,747
Supranationals .....	79,623	79,623	—	77,557	32,171	32,171	—	112,169
<b>TOTAL .....</b>	<b>¥ 3,436,376</b>	<b>¥ 2,389,505</b>	<b>¥ 1,046,871</b>	<b>¥ 181,022</b>	<b>¥ 2,782,523</b>	<b>¥ 1,769,000</b>	<b>¥ 1,013,523</b>	<b>¥ 263,651</b>

## 3. Non-performing Loans

(Millions of Yen)

	FY2010	FY2009
Loans to bankrupt borrowers.....	¥ 187	¥ 228
Past due loans.....	6,419	6,005
Loans past due three months or more.....	—	—
Restructured loans .....	21,111	23,682
<b>TOTAL.....</b>	<b>¥ 27,718</b>	<b>¥ 29,916</b>
Non-performing loans/total loans.....	<b>0.55%</b>	<b>0.55%</b>

## 4. Outline of Reserves

### 4-1. Policy Reserves

(Millions of Yen)

	FY2010	FY2009
Policy reserves:		
Individual life insurance .....	¥ 9,638,609	¥ 8,478,298
Individual annuities .....	6,762,591	6,419,606
Group life insurance .....	160,436	163,612
Group pensions.....	6,455,066	6,456,604
Others .....	239,949	244,538
Reserves for contingencies .....	510,779	473,464
<b>TOTAL.....</b>	<b>¥23,767,432</b>	<b>¥22,236,124</b>

### 4-2. Other Reserves

(Millions of Yen)

	FY2010	FY2009
Reserves for possible loan losses:		
General reserves for possible loan losses .....	¥ 3,176	¥ 2,511
Specific reserves for possible loan losses .....	13,488	12,559
Accrued retirement benefits for directors and executive officers .....	650	724
Reserves for contingent liabilities .....	3,592	3,809
Reserves for price fluctuations .....	242,414	184,980

## Consolidated Balance Sheet

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

As of March 31, 2011 and 2010

	Millions of Yen		Millions of U.S. Dollars*
	FY2010	FY2009	FY2010
<b>ASSETS</b>			
Cash and deposits .....	¥ 273,106	¥ 434,566	\$ 3,284.4
Call loans .....	233,000	187,000	2,802.1
Monetary claims bought .....	277,381	284,939	3,335.9
Securities .....	19,391,838	17,042,300	233,215.1
Loans .....	5,097,175	5,493,257	61,300.9
Tangible fixed assets:			
Land .....	645,357	662,571	7,761.3
Buildings .....	343,714	363,207	4,133.6
Construction in progress .....	27,240	10,233	327.6
Other tangible fixed assets .....	3,844	4,648	46.2
Intangible fixed assets:			
Software .....	36,803	42,886	442.6
Other intangible fixed assets .....	18,681	24,037	224.6
Agency account receivable .....	1,736	1,662	20.8
Reinsurance account receivable .....	1,241	2,524	14.9
Other assets .....	436,791	279,772	5,253.0
Deferred tax assets .....	335,337	247,391	4,032.9
Customers' liabilities for acceptances and guarantees .....	22,000	20,024	264.5
Reserves for possible loan losses .....	(16,726)	(15,135)	(201.1)
<b>TOTAL ASSETS</b> .....	<b>¥ 27,128,525</b>	<b>¥ 25,085,889</b>	<b>\$ 326,260.0</b>
<b>LIABILITIES AND NET ASSETS</b>			
(Liabilities)			
Policy reserves and others:			
Reserves for outstanding claims .....	¥ 159,270	¥ 135,041	\$ 1,915.4
Policy reserves .....	23,811,692	22,283,750	286,370.3
Reserves for policyholder dividends .....	318,003	330,649	3,824.4
Agency account payable .....	15	11	0.1
Reinsurance account payable .....	1,457	2,477	17.5
Other liabilities .....	1,203,181	609,183	14,470.0
Accrued pension and severance costs.....	714	618	8.5
Accrued retirement benefits for directors and executive officers.....	650	724	7.8
Reserves for contingent liabilities .....	3,592	3,809	43.1
Reserves for price fluctuations .....	242,687	185,264	2,918.6
Deferred tax liabilities on revaluation of land .....	114,364	118,623	1,375.3
Acceptances and guarantees .....	22,000	20,024	264.5
<b>TOTAL LIABILITIES</b> .....	<b>25,877,630</b>	<b>23,690,179</b>	<b>311,216.2</b>
(Net Assets)			
Foundation funds.....	60,000	60,000	721.5
Accumulated redeemed foundation funds.....	410,000	350,000	4,930.8
Revaluation reserves .....	452	452	5.4
Consolidated surplus.....	200,018	247,275	2,405.5
Total foundation funds and others.....	670,471	657,728	8,063.3
Unrealized gains (losses) on available-for-sale securities.....	528,675	678,829	6,358.0
Deferred hedge gains (losses) .....	(5,213)	(6,519)	(62.6)
Revaluation reserves for land.....	72,823	77,829	875.8
Currency translation adjustment.....	(21,061)	(17,413)	(253.2)
Total accumulated other comprehensive income**.....	575,223	732,725	6,917.8
Minority interests .....	5,200	5,256	62.5
<b>TOTAL NET ASSETS</b> .....	<b>1,250,894</b>	<b>1,395,710</b>	<b>15,043.8</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b> .....	<b>¥ 27,128,525</b>	<b>¥ 25,085,889</b>	<b>\$ 326,260.0</b>

\* Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥83.15 to US\$1.00 prevailing on March 31, 2011.

\*\*The amount of "Total accumulated other comprehensive income" for FY2009 had been presented as "Total valuation and translation adjustments and others" in FY2009.

**Consolidated Statement of Operations and Surplus**  
Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

For the years ended March 31, 2011 and 2010

	Millions of Yen		Millions of U.S. Dollars*
	FY2010	FY2009	FY2010
<b>ORDINARY REVENUE</b>			
Premium income and reinsurance refunds .....	¥ 3,963,619	¥ 3,302,153	\$ 47,668.2
Investment income and gain:			
Interest and dividends .....	530,694	483,641	6,382.3
Gains on money-held-in-trust .....	2	1	0.0
Gains on securities sold .....	74,484	81,337	895.7
Gains on securities redeemed .....	—	4,077	—
Income for derivative financial instruments .....	65,656	31,461	789.6
Other investment income .....	64	220	0.7
Gains on separate account assets investment .....	—	87,011	—
Other ordinary revenue .....	188,303	212,654	2,264.6
<b>TOTAL ORDINARY REVENUE .....</b>	<b>4,822,825</b>	<b>4,202,559</b>	<b>58,001.5</b>
<b>ORDINARY EXPENSES</b>			
Insurance benefits paid and others:			
Claims paid .....	716,838	823,498	8,621.0
Annuities paid .....	446,719	425,586	5,372.4
Benefits on policies paid .....	493,991	526,694	5,940.9
Surrender benefits paid .....	463,142	487,478	5,569.9
Other refunds paid and expenses .....	95,303	90,394	1,146.1
Provision for policy reserves and others:			
Provision for reserves for outstanding claims .....	24,409	—	293.5
Provision for policy reserves .....	1,531,272	922,263	18,415.7
Interest on dividend reserves .....	799	1,075	9.6
Investment expenses and losses:			
Interest paid .....	3,344	3,624	40.2
Losses on securities sold .....	130,164	58,429	1,565.4
Losses on securities appraised .....	21,292	12,529	256.0
Losses on securities redeemed .....	2,451	7,562	29.4
Losses on foreign exchange .....	580	338	6.9
Provision for reserves for possible loan losses .....	561	11,468	6.7
Depreciation on real estate for rent .....	10,631	11,259	127.8
Other investment expenses .....	11,267	12,754	135.5
Losses on separate account assets investment .....	9,875	—	118.7
Operating expenses .....	388,421	375,450	4,671.3
Other ordinary expenses .....	242,821	252,582	2,920.2
<b>TOTAL ORDINARY EXPENSES .....</b>	<b>4,593,890</b>	<b>4,022,991</b>	<b>55,248.2</b>
<b>ORDINARY INCOME .....</b>	<b>228,934</b>	<b>179,568</b>	<b>2,753.2</b>
Extraordinary profits:			
Gains on disposals of fixed assets .....	1,588	1,765	19.0
Other extraordinary profits .....	—	30	—
Extraordinary losses:			
Losses on disposals of fixed assets .....	14,472	14,516	174.0
Impairment losses .....	9,397	3,446	113.0
Provision for reserves for contingent liabilities .....	670	207	8.0
Provision for reserves for price fluctuations .....	57,449	7,588	690.9
Donations for social welfare project promotion .....	552	552	6.6
Other extraordinary losses .....	2,836	256	34.1
<b>NET SURPLUS BEFORE TAXES .....</b>	<b>145,143</b>	<b>154,796</b>	<b>1,745.5</b>
Income taxes—current .....	21,031	1,325	252.9
Income taxes—deferred .....	(7,433)	10,179	(89.3)
<b>NET SURPLUS BEFORE MINORITY INTERESTS .....</b>	<b>131,545</b>	<b>143,291</b>	<b>1,582.0</b>
Minority interests .....	199	518	2.3
<b>NET SURPLUS FOR THE PERIOD .....</b>	<b>¥ 131,346</b>	<b>¥ 142,773</b>	<b>\$ 1,579.6</b>

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥83.15 to US\$1.00 prevailing on March 31, 2011.

**Consolidated Statement of Comprehensive Income**  
Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

For the years ended March 31, 2011

	Millions of Yen		Millions of U.S. Dollars*
	FY2010	FY2010	FY2010
Net surplus before minority interests .....	¥ 131,545		\$ 1,582.0
Other comprehensive income:			
Unrealized gains (losses) on available-for-sale securities .....	(150,153)		(1,805.8)
Deferred hedge gains (losses) .....	1,305		15.6
Revaluation reserves for land .....	473		5.6
Currency translation adjustment .....	(3,647)		(43.8)
<b>COMPREHENSIVE INCOME (LOSS) .....</b>	<b>(20,477)</b>		<b>(246.2)</b>
Comprehensive income attributable to the parent company .....	(20,676)		(248.6)
Comprehensive income attributable to minority interests .....	199		2.3

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥83.15 to US\$1.00 prevailing on March 31, 2011.

## Consolidated Statement of Changes in Net Assets

Meiji Yasuda Life Insurance Company and Consolidated Subsidiaries

For the years ended March 31, 2011 and 2010

	Millions of Yen		Millions of U.S. Dollars*
	FY2010	FY2009	FY2010
Foundation funds and others			
Foundation funds			
Balance at the end of previous period .....	¥ 60,000	¥ 60,000	\$ 721.5
Changes during the period			
Foundation funds procurement .....	60,000	—	721.5
Redemption of foundation funds .....	(60,000)	—	(721.5)
Total changes during the period .....	—	—	—
Balance at the end of current period .....	60,000	60,000	721.5
Accumulated redeemed foundation funds			
Balance at the end of previous period.....	350,000	350,000	4,209.2
Changes during the period			
Transfer to accumulated redeemed foundation funds .....	60,000	—	721.5
Total changes during the period .....	60,000	—	721.5
Balance at the end of current period .....	410,000	350,000	4,930.8
Revaluation reserves			
Balance at the end of previous period.....	452	452	5.4
Changes during the period			
Total changes during the period .....	—	—	—
Balance at the end of current period .....	452	452	5.4
Consolidated surplus			
Balance at the end of previous period.....	247,275	213,436	2,973.8
Changes during the period			
Transfer to reserves for policyholder dividends .....	(123,038)	(110,557)	(1,479.7)
Interest payment on foundation funds .....	(1,043)	(1,043)	(12.5)
Net surplus.....	131,346	142,773	1,579.6
Reversal of reserves for redemption of foundation funds.....	(60,000)	—	(721.5)
Reversal of revaluation reserves for land .....	5,479	2,666	65.8
Total changes during the period .....	(47,256)	33,838	(568.3)
Balance at the end of current period .....	200,018	247,275	2,405.5
Total foundation funds and others			
Balance at the end of previous period.....	657,728	623,889	7,910.1
Changes during the period			
Foundation funds procurement.....	60,000	—	721.5
Transfer to reserves for policyholder dividends .....	(123,038)	(110,557)	(1,479.7)
Transfer to accumulated redeemed foundation funds .....	60,000	—	721.5
Interest payment on foundation funds .....	(1,043)	(1,043)	(12.5)
Net surplus.....	131,346	142,773	1,579.6
Redemption of foundation funds.....	(60,000)	—	(721.5)
Reversal of reserves for redemption of foundation funds.....	(60,000)	—	(721.5)
Reversal of revaluation reserves for land .....	5,479	2,666	65.8
Total changes during the period .....	12,743	33,838	153.2
Balance at the end of current period .....	670,471	657,728	8,063.3

\*Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥83.15 to US\$1.00 prevailing on March 31, 2011

	Millions of Yen		Millions of U.S. Dollars*
	FY2010	FY2009	FY2010
<b>Accumulated other comprehensive income**</b>			
Unrealized gains (losses) on available-for-sale securities			
Balance at the end of previous period.....	¥ 678,829	¥ 255,233	\$ 8,163.9
Changes during the period			
Net changes in items other than foundation funds and others .....	(150,153)	423,596	(1,805.8)
Total changes during the period .....	(150,153)	423,596	(1,805.8)
Balance at the end of current period .....	528,675	678,829	6,358.0
Deferred hedge gains (losses)			
Balance at the end of previous period.....	(6,519)	(7,158)	(78.4)
Changes during the period			
Net changes in items other than foundation funds and others .....	1,305	638	15.6
Total changes during the period .....	1,305	638	15.6
Balance at the end of current period .....	(5,213)	(6,519)	(62.6)
Revaluation reserves for land			
Balance at the end of previous period.....	77,829	80,432	936.0
Changes during the period			
Net changes in items other than foundation funds and others .....	(5,005)	(2,603)	(60.1)
Total changes during the period .....	(5,005)	(2,603)	(60.1)
Balance at the end of current period .....	72,823	77,829	875.8
Foreign currency translation adjustment account			
Balance at the end of previous period.....	(17,413)	(17,809)	(209.4)
Changes during the period			
Net changes in items other than foundation funds and others .....	(3,647)	395	(43.8)
Total changes during the period .....	(3,647)	395	(43.8)
Balance at the end of current period .....	(21,061)	(17,413)	(253.2)
<b>Total accumulated other comprehensive income**</b>			
Balance at the end of previous period.....	732,725	310,698	8,812.0
Changes during the period			
Net changes in items other than foundation funds and others .....	(157,501)	422,026	(1,894.1)
Total changes during the period .....	(157,501)	422,026	(1,894.1)
Balance at the end of current period .....	575,223	732,725	6,917.8
Minority interests			
Balance at the end of previous period .....	5,256	3,784	63.2
Changes during the period			
Net changes in items other than foundation funds and others.....	(56)	1,471	(0.6)
Total changes during the period.....	(56)	1,471	(0.6)
Balance at the end of current period.....	5,200	5,256	62.5
<b>Total net assets</b>			
Balance at the end of previous period .....	1,395,710	938,372	16,785.4
Changes during the period			
Foundation funds procurement .....	60,000	—	721.5
Transfer to reserves for policyholder dividends.....	(123,038)	(110,557)	(1,479.7)
Transfer to accumulated redeemed foundation funds.....	60,000	—	721.5
Interest payment on foundation funds.....	(1,043)	(1,043)	(12.5)
Net surplus .....	131,346	142,773	1,579.6
Redemption of foundation funds .....	(60,000)	—	(721.5)
Reversal of reserves for redemption of foundation funds.....	(60,000)	—	(721.5)
Reversal of revaluation reserves for land.....	5,479	2,666	65.8
Net changes in items other than foundation funds and others.....	(157,558)	423,498	(1,894.8)
Total changes during the period.....	(144,815)	457,337	(1,741.6)
Balance at the end of current period.....	1,250,894	1,395,710	15,043.8

\* Figures in U.S. dollars, shown for reference only, are converted using the rate of ¥83.15 to US\$1.00 prevailing on March 31, 2011.

\*\*The amount of "Accumulated other comprehensive income" and "Total accumulated other comprehensive income" for FY2009 had been presented as "Valuation and translation adjustments and others" and "Total valuation and translation adjustments and others", respectively, in FY2009.